

Nashua-Plainfield Community School District

Independent Auditor's Reports
Basic Financial Statements
And Supplementary Information
Schedule of Findings

June 30, 2008

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Nashua-Plainfield Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

(Before September 2007 Election)

Michael Mahoney	President	2008
Kevin Benning	Vice President	2007
Gail Zwanziger	Board Member	2008
Shawn Geer	Board Member	2007
Lisa Franzen	Board Member	2009

Board of Education

(After September 2007 Election)

Michael Mahoney	President	2008
Gail Zwanziger	Vice President	2008
Lisa Franzen	Board Member	2009
Brian Bierschenk	Board Member	2009
Dawn Koob	Board Member	2011

School Officials

Paul Bisgard	Superintendent	2008
Michael Kalvig	District Secretary and Business Manager	2008
Gaylen Hassman	Attorney	2008

Independent Auditor's Report

To the Board of Education of
Nashua-Plainfield Community School District:

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Nashua-Plainfield Community School District, Nashua, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. My responsibility is to express an opinion on these financial statements based on my audit.

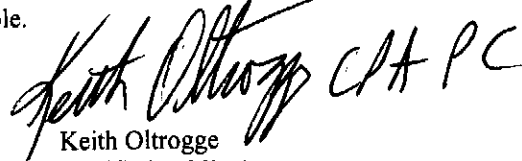
I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Nashua-Plainfield Community School District at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated March 12, 2009 on my consideration of Nashua-Plainfield Community School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 12 and 31 through 32 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nashua-Plainfield Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Keith Oltrogge
Certified Public Accountant

March 12, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nashua-Plainfield Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$5,934,573 in fiscal 2007 to \$6,128,513 in fiscal 2008, while General Fund expenditures increased from \$5,779,966 in fiscal 2007 to \$5,991,576 in fiscal 2008. The District's General Fund balance increased from \$396,197 in fiscal 2007 to \$533,134 in fiscal 2008, a 26% increase.
- The increase in General Fund revenues was attributable to an increase in local taxes, state and federal sources in fiscal 2008. The increase in expenditures was due primarily to an increase in the negotiated salary and benefits and purchased services expenditures. One reason the General Fund balance increased is because revenue increased more than expenditures.
- The District's solvency ratio has increased from 6.85% at June 30, 2007 to 8.87% at June 30, 2008. The District's solvency level indicates the District is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Nashua-Plainfield Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Nashua-Plainfield Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Nashua-Plainfield Community School District acts solely as an agent or custodian for the benefit of those outside of County government.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major Special Revenue Funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Nashua-Plainfield Community School District Annual Financial Report

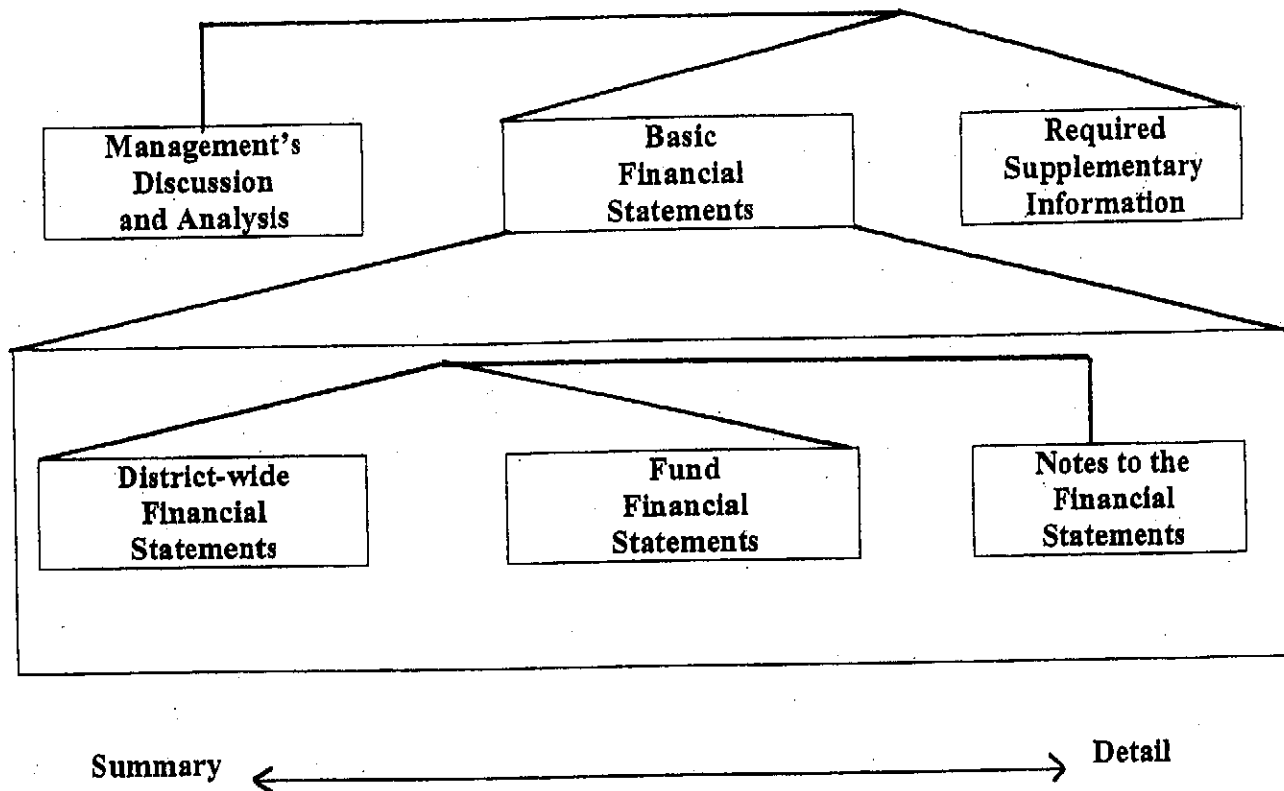


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, both short- term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2008 compared to June 30, 2007.

Figure A-3
Condensed Statement of Net Assets

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-2008
Current and other assets	\$4,666,507	\$4,274,055	\$38,871	\$32,016	\$4,705,378	\$4,306,071	\$399,307
Capital assets	2,838,186	2,780,443	44,222	41,750	2,882,408	2,822,193	60,215
Total assets	\$7,504,693	\$7,054,498	\$83,093	\$73,766	\$7,587,786	7,128,264	\$459,522
Long-term liabilities	\$35,293	\$35,841	\$-	\$-	\$35,293	\$35,841	-\$548
Other liabilities	3,345,805	3,356,141	28,173	23,670	3,373,978	3,379,811	-5,833
Total liabilities	\$3,381,098	\$3,391,982	\$28,173	\$23,670	\$3,409,271	\$3,415,652	-\$6,381
Net assets:							
Invested in capital assets, net of related debt	\$2,838,186	\$2,780,443	\$44,222	\$41,750	\$2,882,408	\$2,822,193	\$60,215
Restricted	1,912	393	-	-	1,912	393	1,519
Unrestricted	1,283,497	881,680	10,698	8,346	1,294,195	890,026	404,169
Total net assets	\$4,123,595	\$3,662,516	\$54,920	\$50,096	\$4,178,515	\$3,712,612	\$465,903

The District's combined net assets increased by nearly 2%, or \$6,012, over the prior year. The largest portion of the District's net assets is in the "invested in capital assets (e.g., buildings and equipment), less the related debt".

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased by \$404,169, or 31%.

Figure A-4 shows the change in net assets for the year ended June 30, 2008.

Figure A-4
Changes in Net Assets

	Governmental Activities	Business Type Activities	Total District
Revenues:			
Program revenues:			
Charges for service	\$448,517	\$177,702	\$626,219
Operating grants, contributions and restricted interest	816,704	141,838	958,542
Capital grants, contributions and restricted interest	-	-	-
General revenues:			
Property tax	2,351,911	-	2,351,911
Local option sales and service tax	481,584	-	481,584
Unrestricted state grants	2,901,293	-	2,901,293
Unrestricted investment earnings	62,547	720	63,267
Other	30,866	-	30,866
Total revenues	\$7,093,422	\$320,260	\$7,413,682
Program expenses:			
Governmental activities:			
Instruction	\$4,572,393	\$-	\$4,572,393
Support services	1,794,479	-	1,794,479
Non-instructional programs	5,301	322,249	327,550
Other expenses	253,197	-	253,197
Total expenses	\$6,625,370	\$322,249	\$6,947,619
Change in net assets	\$468,052	-\$1,989	\$466,063

Property tax and unrestricted state grants account for 71% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 92% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$7,093,422 and expenses were \$6,625,370. In a difficult budget year, the District was able to balance the budget by trimming expenses to match available revenues.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5
**Total and Net Cost of
Governmental Activities**

	Total Cost of Services	Net Cost of Services
Instruction	\$4,572,393	\$3,320,239
Support services	1,794,479	1,781,412
Non-instructional programs	5,301	5,301
Other expenses	253,197	253,197
Totals	\$6,625,370	\$5,360,149

- The cost financed by users of the District's programs was \$626,219.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$958,542.
- The net cost of governmental activities was financed with \$2,833,495 in property and other taxes and \$2,901,293 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$320,260 and expenses were \$322,249. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

The District increased all Adult and Student, Lunch and Breakfast prices by \$.10 for the 2007-2008 school year. There had been no change in meal prices in 2006-2007.

INDIVIDUAL FUND ANALYSIS

As previously noted, Nashua-Plainfield Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,123,595, well above last year's ending fund balances of \$3,662,516.

Governmental Fund Highlights

- The General Fund balance increased from \$396,197 to \$533,134, due in part to revenue increasing more than expenditures.
- The Physical Plant and Equipment Levy (PPEL) Fund balance increased from \$64,896 in fiscal 2007 to \$104,297 in fiscal 2008.
- The Capital Projects Fund balance increased due to facilities acquisitions being less than revenues collected. At June 30, 2008, the \$459,581 fund balance was unspent local option sales tax money. Approximately \$319,500 of this unspent balance had been allocated towards a High School Elevator project to be completed in the Fall of 2008.

Proprietary Fund Highlights

- School Nutrition Fund net assets increased from \$50,096 at June 30, 2007 to \$54,920 at June 30, 2008, representing a increase of approximately 8.8%.

BUDGETARY HIGHLIGHTS

The District's receipts were \$100,593 more than budgeted receipts, a variance of 1.4%. The most significant variance resulted from the District receiving more from local sources than originally anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the District had invested \$2,882,408, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 2% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$288,815.

The original cost of the District's capital assets was \$10,389,079. Governmental funds account for \$10,330,112, with the remainder of \$58,967 accounted for in the Proprietary, School Nutrition Fund.

Figure A-6
Capital Assets, net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-2008
Land	\$266,196	\$266,196	\$-	\$-	\$266,196	\$266,196	\$-
Construction in process	63,211	-	-	-	63,211	-	63,211
Buildings	1,789,779	1,755,177	-	-	1,789,779	1,755,177	34,602
Improvements other than buildings	185,038	199,003	-	-	185,038	199,003	-13,965
Furniture and equipment	533,962	560,067	44,222	41,750	578,184	601,817	-23,633
Totals	\$2,838,186	\$2,780,443	\$44,222	\$41,750	\$2,882,408	\$2,822,193	\$60,215

Long-Term Debt

At June 30, 2008 the District had \$35,293 in other long-term debt outstanding. This represents a decrease of 2% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

Figure A-7
Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		June 30,
	2008	2007	2007-2008
Early Retirement	\$35,293	\$35,841	-\$548

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District is committed to a high school elevator project of \$319,500 at June 30, 2008.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael Kalvig, District Secretary and Business Manager, Nashua-Plainfield Community School District, 612 Greeley Street, Nashua IA 50658.

Basic Financial Statements

Nashua-Plainfield Community School District

Statement of Net Assets

June 30, 2008

	Govern- mental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents:			
ISCAP	\$ 356,885	\$ -	\$ 356,885
Other	1,809,150	28,149	1,837,299
Receivables:			
Property tax:			
Delinquent	36,592	-	36,592
Succeeding year	2,206,704	-	2,206,704
Accounts	134,776	908	135,684
Accrued interest:			
ISCAP	135	-	135
Due from other governments	97,699	-	97,699
Prepaid expenses	24,566	59	24,625
Inventories	-	9,755	9,755
Capital assets, net of accumulated depreciation	2,838,186	44,222	2,882,408
Total Assets	\$ 7,504,693	\$ 83,093	\$ 7,587,786
Liabilities			
Accounts payable	\$ 159,925	\$ 2,256	\$ 162,181
Salaries and benefits payable	618,969	21,341	640,310
Deferred revenue-succeeding year property tax	2,206,704	-	2,206,704
Deferred revenue-other	-	4,576	4,576
ISCAP interest payable	136	-	136
ISCAP warrants payable	354,000	-	354,000
Other current liabilities	6,071	-	6,071
Long-term liabilities:			
Portion due within one year:			
Early retirement	25,117	-	25,117
Portion due after one year:			
Early retirement	10,176	-	10,176
Total Liabilities	\$ 3,381,098	\$ 28,173	\$ 3,409,271
Net Assets			
Invested in capital assets, net of related debt	\$ 2,838,186	\$ 44,222	\$ 2,882,408
Reserved	1,912	-	1,912
Unrestricted	1,283,497	10,698	1,294,195
Total Net Assets	\$ 4,123,595	\$ 54,920	\$ 4,178,515

See notes to financial statements.

Nashua-Plainfield Community School District

Statement of Activities

Year Ended June 30, 2008

	Program Revenues			
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	Expenses			
<u>Functions/Programs</u>				
Governmental Activities:				
Instruction:				
Regular instruction	\$ 3,246,079	\$ 146,249	\$ 745,322	\$ -
Special instruction	589,672	55,355	37,264	-
Other instruction	736,642	243,236	24,728	-
	<u>\$ 4,572,393</u>	<u>\$ 444,840</u>	<u>\$ 807,314</u>	<u>\$ -</u>
Support Services:				
Student services	\$ 195,898	\$ -	\$ 5,022	\$ -
Instructional staff services	125,283	-	-	-
Administration services	617,711	-	1,140	-
Operation and maintenance of plant services	473,557	50	2,659	-
Transportation services	382,030	3,627	569	-
	<u>\$ 1,794,479</u>	<u>\$ 3,677</u>	<u>\$ 9,390</u>	<u>\$ -</u>
Non-instructional programs	<u>\$ 5,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Expenditures:				
Facilities acquisition	\$ 13,144	\$ -	\$ -	\$ -
AEA flow-through	240,053	-	-	-
	<u>\$ 253,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Governmental Activities	\$ 6,625,370	\$ 448,517	\$ 816,704	\$ -
Business Type Activities:				
Non-Instructional Programs:				
Food service operations	322,249	177,702	141,838	-
Total	<u>\$ 6,947,619</u>	<u>\$ 626,219</u>	<u>\$ 958,542</u>	<u>\$ -</u>

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ -2,354,508	\$ -	\$ -2,354,508
-497,053	-	-497,053
-468,678	-	-468,678
\$ -3,320,239	\$ -	\$ -3,320,239
\$ -190,876	\$ -	\$ -190,876
-125,283	-	-125,283
-616,571	-	-616,571
-470,848	-	-470,848
-377,834	-	-377,834
\$ -1,781,412	\$ -	\$ -1,781,412
\$ -5,301	\$ -	\$ -5,301
\$ -13,144	\$ -	\$ -13,144
-240,053	-	-240,053
\$ -253,197	\$ -	\$ -253,197
\$ -5,360,149	\$ -	\$ -5,360,149
-	-2,709	-2,709
\$ -5,360,149	\$ -2,709	\$ -5,362,858

Nashua-Plainfield Community School District

Statement of Activities

Year Ended June 30, 2008

	Program Revenues		
	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Expenses			

General Revenues:

Property Tax Levied For:
 General purposes
 Capital outlay
Local option sales and services tax
Unrestricted state grants
Unrestricted investment earnings
Other

Total General Revenues

Change in net assets before transfers

Other financing sources (uses)
Operating transfer
Loss on disposal

Total other financing sources (uses)

Change in net assets

Net assets beginning of year

Net Assets End of Year

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ 2,243,812	\$ -	\$ 2,243,812
108,099	-	108,099
481,584	-	481,584
2,901,293	-	2,901,293
62,547	720	63,267
30,866	-	30,866
\$ 5,828,201	\$ 720	\$ 5,828,921
\$ 468,052	\$ -1,989	\$ 466,063
\$ -6,973	\$ 6,973	\$ -
-	-160	-160
\$ -6,973	\$ 6,813	\$ -160
\$ 461,079	\$ 4,824	\$ 465,903
3,662,516	50,096	3,712,612
\$ 4,123,595	\$ 54,920	\$ 4,178,515

Nashua-Plainfield Community School District

Balance Sheet
Governmental Funds

June 30, 2008

Assets	General	Capital Projects	Non-major Special Revenue	Total
Cash and Pooled Investments:				
ISCAP	\$ 356,885	\$ -	\$ -	\$ 356,885
Other	1,061,866	425,609	321,675	1,809,150
Receivables:				
Property Tax:				
Delinquent	32,519	-	4,073	36,592
Succeeding year	1,942,230	-	264,474	2,206,704
Accounts	40,653	91,309	2,814	134,776
Accrued Interest:				
ISCAP	135	-	-	135
Due from other governments	97,699	-	-	97,699
Prepaid expenses	21,136	-	3,430	24,566
Total Assets	\$ 3,553,123	\$ 516,918	\$ 596,466	\$ 4,666,507
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 98,583	\$ 57,337	\$ 4,005	\$ 159,925
Salaries and benefits payable	618,969	-	-	618,969
ISCAP interest payable	136	-	-	136
ISCAP warrants payable	354,000	-	-	354,000
Other current liabilities	6,071	-	-	6,071
Deferred Revenue:				
Succeeding year property tax	1,942,230	-	264,474	2,206,704
Total Liabilities	\$ 3,019,989	\$ 57,337	\$ 268,479	\$ 3,345,805
Fund Balances:				
Reserved	\$ 1,912	\$ -	\$ -	\$ 1,912
Unreserved	531,222	459,581	327,987	1,318,790
	\$ 533,134	\$ 459,581	\$ 327,987	\$ 1,320,702
Total Liabilities and Fund Balances	\$ 3,553,123	\$ 516,918	\$ 596,466	\$ 4,666,507

See notes to financial statements.

Nashua-Plainfield Community School District
Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Assets

June 30, 2008

Total fund balances of governmental funds (page 16)	\$ 1,320,702
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	2,838,186
Long-term liabilities, including early retirement, are not due and payable in the current period and, therefore, are not reported in the funds	<div style="border-top: 1px solid black;">-35,293</div>
Net assets of governmental activities (page 13)	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 4,123,595</div>

Nashua-Plainfield Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2008

	General	Capital Projects	Non-Major Special Revenue	Total
Revenues:				
Local Sources:				
Local tax	\$ 2,119,211	\$ 481,584	\$ 232,700	\$ 2,833,495
Tuition	188,543	-	-	188,543
Other	102,218	7,394	243,002	352,614
Intermediate sources	2,530	-	-	2,530
State sources	3,530,732	-	229	3,530,961
Federal sources	185,279	-	-	185,279
Total Revenues	\$ 6,128,513	\$ 488,978	\$ 475,931	\$ 7,093,422
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 3,033,653	\$ 1,999	\$ 51,200	\$ 3,086,852
Special instruction	589,413	-	-	589,413
Other instruction	492,012	-	214,371	706,383
	\$ 4,115,078	\$ 1,999	\$ 265,571	\$ 4,382,648
Support Services:				
Student services	\$ 195,325	\$ -	\$ 573	\$ 195,898
Instructional staff services	94,652	31,799	49,479	175,930
Administration services	609,985	-	1,666	611,651
Operation and maintenance of plant services	418,608	11,014	35,843	465,465
Transportation services	317,875	-	28,296	346,171
	\$ 1,636,445	\$ 42,813	\$ 115,857	\$ 1,795,115
Non-instructional programs	\$ -	\$ 182	\$ 5,119	\$ 5,301
Other Expenditures:				
Facilities acquisition	\$ -	\$ 254,425	\$ 6,119	\$ 260,544
AEA flow-through	240,053	-	-	240,053
	\$ 240,053	\$ 254,425	\$ 6,119	\$ 500,597
Total Expenditures	\$ 5,991,576	\$ 299,419	\$ 392,666	\$ 6,683,661
Excess (deficiency) of revenue over (under) expenditures	\$ 136,937	\$ 189,559	\$ 83,265	\$ 409,761
Other financing sources (uses)				
Operating transfer	-	-6,973	-	-6,973
Net change in fund balances	\$ 136,937	\$ 182,586	\$ 83,205	\$ 402,788
Fund balances beginning of year	396,197	276,995	244,722	917,914
Fund Balances End of Year	\$ 533,134	\$ 459,581	\$ 327,987	\$ 1,320,702

See notes to financial statements.

Nashua-Plainfield Community School District

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances – Governmental Funds
To the Statement of Activities**

Year Ended June 30, 2008

Net change in fund balances – total governmental funds (page 18) \$ 402,788

***Amounts reported for governmental activities in the Statement of Activities are
different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 341,644	
Depreciation expense	-283,901	57,743

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	\$ 36,249	
New retirements	-35,701	548

Change in Net Assets of Governmental Activities (page 15) \$ 461,079

Nashua-Plainfield Community School District

Statement of Net Assets
Proprietary Fund

June 30, 2008

	School Nutrition
Assets	
Cash and cash equivalents	\$ 28,149
Accounts receivable	908
Prepaid expenses	59
Inventories	9,755
Capital assets, net of accumulated depreciation	44,222
Total Assets	<u>\$ 83,093</u>
Liabilities	
Accounts payable	\$ 2,256
Salaries and benefits payable	21,341
Deferred revenue	4,576
	<u>\$ 28,173</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 44,222
Unrestricted	10,698
Total Net Assets	<u>\$ 54,920</u>

Nashua-Plainfield Community School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund

June 30, 2008

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for service	\$ 177,702
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 119,566
Benefits	17,017
Purchased services	5,789
Supplies	174,963
Depreciation	4,914
Total operating expenses	\$ 322,249
Operating loss	\$ -144,547
Non-operating revenues:	
State sources	\$ 3,903
Federal sources	137,935
Interest income	720
Total non-operating revenues	\$ 142,558
Change in net asset before other financing sources (uses)	\$ -1,989
Other financing sources (uses)	
Operating transfers	\$ 6,973
Loss on disposal	-160
Total other financing sources (uses)	\$ 6,813
Change in net assets	\$ 4,824
Net assets beginning of year	50,096
Net Assets End of Year	\$ 54,920

Nashua-Plainfield Community School District

Statement of Cash Flows
Proprietary Fund

Year Ended June 30, 2008

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 179,295
Cash paid to employees for services	-136,077
Cash paid to suppliers for goods or services	-151,664
Net cash used by operating activities	<u>\$ -108,446</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 3,903
Federal grants received	108,782
Net cash provided by non-capital financing activities	<u>\$ 112,685</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>\$ -7,546</u>
Cash flows from investing activities:	
Interest on investments	<u>\$ 725</u>
Transfer from capital projects	<u>\$ 6,973</u>
Net increase in cash and cash equivalents	\$ 4,391
Cash and cash equivalents beginning of year	<u>23,758</u>
Cash and Cash Equivalents End of Year	<u>\$ 28,149</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ -144,547
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	28,912
Depreciation	4,914
(Increase) in inventories	-2,020
(Increase) in accounts receivable	-199
(Increase) in accounts payable	2,197
Increase in salaries and benefits payable	513
(Increase) in prepaid expenses	-8
Increase in deferred revenue	<u>1,792</u>
Net Cash Used by Operating Activities	<u>\$ -108,446</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2008, the District received \$28,912 of federal commodities.

Nashua-Plainfield Community School District

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies

Nashua-Plainfield Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Nashua and Plainfield, Iowa and portions of the predominately agricultural territories in Chickasaw, Butler, Bremer and Floyd Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis. The Plainfield attendance centers house classes for Grades 5-8. Grades K-4 and 9-12 attend the Nashua attendance centers.

The District's financial statements are prepared in conformity with U. S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Nashua-Plainfield Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Nashua-Plainfield Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2007.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 – 50 years
Furniture and equipment	5 – 15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

(3) **Iowa School Cash Anticipation Program (ISCAP)**

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP at June 30, 2008 is as follows:

Series	Warrant Date	Final Warrant Maturity	Investments	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable	Un-amortized Premium
2008-09A	6/26/08	6/25/09	\$ 356,885	\$ 135	\$ 354,000	\$ 136	\$ 6,071

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. ISCAP advance activity in the General Fund for the year ended June 30, 2008 is as follows:

Series	Balance Beginning Of Year	Advances Received	Advances Repaid	Balance End of Year
2007-08A	\$ -	\$ 300,000	\$ 300,000	\$ -

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2007-08A	4.500%	5.455%
2008-09A	3.500%	3.469%

(4) Capital Assets

Capital assets activity for the year ended June 30, 2008 was as follows:

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 266,196	\$ -	\$ -	\$ 266,196
Construction in process	-	63,211	-	63,211
Total capital assets not being depreciated	\$ 266,196	\$ 63,211	\$ -	\$ 329,407
Capital assets being depreciated:				
Buildings	\$ 5,386,356	\$ 126,451	\$ -	\$ 5,512,807
Improvements other than buildings	363,195	-	-	363,195
Furniture and equipment	3,972,721	151,982	-	4,124,703
Total capital assets being depreciated	\$ 9,722,272	\$ 278,433	\$ -	\$ 10,000,705
Less accumulated depreciation for:				
Buildings	\$ 3,631,179	\$ 91,849	\$ -	\$ 3,723,028
Improvements other than buildings	164,192	13,965	-	178,157
Furniture and equipment	3,412,654	178,087	-	3,590,741
Total accumulated depreciation	\$ 7,208,025	\$ 283,901	\$ -	\$ 7,491,926
Total capital assets being depreciated, net	\$ 2,514,247	\$ -5,468	\$ -	\$ 2,508,779
Governmental Activities Capital Assets, Net	\$ 2,780,443	\$ 57,743	\$ -	\$ 2,838,186

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
Business type activities:				
Furniture and equipment	\$ 55,305	\$ 7,546	\$ 3,884	\$ 58,967
Less accumulated depreciation	13,555	4,914	3,724	14,745
Business Type Activities Capital Assets, Net	<u>\$ 41,750</u>	<u>\$ 2,632</u>	<u>\$ -160</u>	<u>\$ 44,222</u>

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular	\$ 159,775
Other	30,259
Special	259

Support services:

Administration	6,060
Operation and maintenance of plant	17,229
Transportation	<u>70,319</u>

Total Depreciation Expense – Governmental Activities	<u>\$ 283,901</u>
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Business Type Activities:

Food service operations	<u>\$ 4,914</u>
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(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2008 are summarized as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
Early retirement	\$ 35,841	\$ 35,701	\$ 36,249	\$ 35,293	\$ 25,117

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be age fifty-five or older and must have completed fifteen years of service to the District, or be age of fifty-five or older and the sum of whose age combined with years of service as defined by IPERS equals or exceeds 88. Employees must complete an application, which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 100% of the difference between the current year hiring base (BA Step 3) and the participating employee's current salary excluding extra-curricular, extended contract days, Phase 2 monies, and extra class payments. The participating employee will also receive \$100 for each year of service in the Nashua-Plainfield District, the Plainfield District, and/or the Nashua District. The cost of early retirement payments expected to be liquidated currently are recorded as a liability of the Special Revenue, Management Levy Fund. A liability has been recorded in the Governmental Activities long-term debt section which represents the District's commitment to fund non-current early retirement.

(6) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.90% of their annual covered salary and the District is required to contribute 6.05% of annual covered payroll for the years ended June 30, 2008, 2007 and 2006. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$253,811, \$234,261 and \$213,015, respectively, equal to the required contributions for each year.

(7) Risk Management

Nashua-Plainfield Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(8) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$240,053 for the year ended June 30, 2008 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(9) Commitments

The District has entered into a contract for the an elevator project at a cost of \$319,500. At June 30, 2008, \$63,211 is in construction in process with \$256,289 to be completed in the 2008-09 school year.

Required Supplementary Information

Nashua-Plainfield Community School District

**Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances –
Budget and Actual – All Governmental Funds and Proprietary Fund**

Required Supplementary Information

Year Ended June 30, 2008

	Governmental Funds Actual	Proprietary Fund Actual
Receipts:		
Local sources	\$ 3,374,652	\$ 178,262
Intermediate sources	2,530	-
State sources	3,530,961	3,903
Federal sources	185,279	137,935
Total Receipts	\$ 7,093,422	\$ 320,100
Disbursements:		
Instruction	\$ 4,382,648	\$ -
Support services	1,795,115	-
Non-instructional programs	5,301	322,249
Other expenditures	500,597	-
Total Disbursements	\$ 6,683,661	\$ 322,249
Excess (deficiency) of receipts over (under) disbursements	\$ 409,761	\$ -2,149
Net other financing sources (uses)		
Operating transfers	-6,973	6,973
Excess (deficiency) of receipts and other financing sources (under) disbursements and other financing uses	\$ 402,788	\$ 4,824
Balance beginning of year	917,914	50,096
Balance End of Year	\$ 1,320,702	\$ 54,920

See accompanying independent auditor's report.

Total Actual	Budgeted Amounts Original	Final to Actual Variance
\$ 3,552,914	\$ 3,485,081	\$ 67,833
2,530	3,800	-1,270
3,534,864	3,499,048	35,816
323,214	325,000	-1,786
\$ 7,413,522	\$ 7,312,929	\$ 100,593
\$ 4,382,648	\$ 4,404,029	\$ 21,381
1,795,115	2,019,019	223,904
327,550	339,000	11,450
500,597	658,134	157,537
\$ 7,005,910	\$ 7,420,182	\$ 414,272
\$ 407,612	\$ -107,253	\$ 514,865
-	-	-
\$ 407,612	\$ -107,253	\$ 514,865
968,010	598,085	369,925
\$ 1,375,622	\$ 490,832	\$ 884,790

Nashua-Plainfield Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2008

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

Other Supplementary Information

Nashua-Plainfield Community School District

Combining Balance Sheet
Non-Major Special Revenue Funds

June 30, 2008

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Cash and pooled investments	\$ 122,851	\$ 97,482	\$ 101,342	\$ 321,675
Receivables:				
Property Tax:				
Delinquent	2,181	-	1,892	4,073
Succeeding year	150,000	-	114,474	264,474
Accounts	1,223	-	1,591	2,814
Prepaid expenses	3,430	-	-	3,430
Total Assets	\$ 279,685	\$ 97,482	\$ 219,299	\$ 596,466
Liabilities & Fund Equity				
Liabilities:				
Accounts payable	\$ 444	\$ 3,033	\$ 528	\$ 4,005
Deferred Revenue:				
Succeeding year property tax	150,000	-	114,474	264,474
Total Liabilities	\$ 150,444	\$ 3,033	\$ 115,002	\$ 268,479
Fund Equity:				
Unreserved fund balances	\$ 129,241	\$ 94,449	\$ 104,297	\$ 327,987
Total Liabilities and Fund Equity	\$ 279,685	\$ 97,482	\$ 219,299	\$ 596,466

Nashua-Plainfield Community School District

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds

Year Ended June 30, 2008

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local Sources:				
Local tax	\$ 124,601	\$ -	\$ 108,099	\$ 232,700
Other	12,475	228,778	1,749	243,002
State sources	123	-	106	229
Total Revenues	\$ 137,199	\$ 228,778	\$ 109,954	\$ 475,931
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 51,070	\$ -	\$ 130	\$ 51,200
Other instruction	-	214,371	-	214,371
Support Services:				
Student support services	573	-	-	573
Instructional staff service	167	-	49,312	49,479
Administration services	1,666	-	-	1,666
Operation & maintenance of plant services	33,461	-	2,382	35,843
Transportation services	15,686	-	12,610	28,296
Non-instructional programs	5,119	-	-	5,119
Other Expenditures:				
Facilities acquisition	-	-	6,119	6,119
Total Expenditures	\$ 107,742	\$ 214,371	\$ 70,553	\$ 392,666
Excess (deficiency) of revenues over (under) expenditures	\$ 29,457	\$ 14,407	\$ 39,401	\$ 83,265
Fund balances beginning of year	99,784	80,042	64,896	244,722
Fund balances end of year	\$ 129,241	\$ 94,449	\$ 104,297	\$ 327,987

Nashua-Plainfield Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2008

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra-fund Transfers	Balance End of Year
Drama & speech	\$ 1,334	\$ 5,426	\$ 4,139	\$ -	\$ 2,621
Vocal music	2,392	826	640	-	2,578
Instrumental music	772	4,064	4,313	-	523
Golf	5	-	584	600	21
Basketball	6,108	19,291	12,634	-6,000	6,765
Football	2,407	10,055	9,163	-	3,299
Baseball	636	2,239	9,542	7,000	333
Track	1,597	4,580	2,580	-750	2,847
Wrestling	88	14,455	12,437	-1,000	1,106
Volleyball	2,638	3,894	4,709	-	1,823
Softball	400	1,272	4,039	2,500	133
Annual fund	15	2,205	209	89	2,100
Annual pictures	89	-	-	-89	-
FFA	4,568	22,934	24,542	-	2,960
Science Club	316	-	-	-316	-
Student Council	2,831	3,679	4,203	-	2,307
FHA	26	5,017	4,976	-	67
FSC-STW	509	628	10	-	1,127
Cheerleaders	401	4,543	4,817	-	127
Honor Society	108	142	162	-	88
National FFA Conference	3,272	24,604	23,934	-	3,942
TAG	4	1,947	4,462	2,933	422
French Club	16	-	-	-	16
Future Teachers	346	-	-	-	346
Secondary Teachers	815	666	967	-	514
S.A.D.D./Stay-Safe/S.H.A.R.E.	1,117	302	38	-	1,381
Elementary Teachers	5	2,054	1,604	-	455
Science Trip	2,247	-	-	-2,247	-
Technology	458	73	36	-	495
Art store	370	-	-	-370	-
Student pictures	766	199	-	-	965
Adult education	135	-	-	-	135
Interest received	3,061	2,300	-	-	5,361
Class of 2004	2	-	-	-2	-
Class of 2005	82	-	-	-82	-
Class of 2007	2,134	-	135	-1,999	-
Class of 2008	450	-	-	-450	-
Class of 2008	260	1,627	2,174	449	162
Class of 2009	557	9,877	8,222	-	2,212
Class of 2010	326	76	29	-	373
Class of 2011	311	-	-	-	311
Class of 2012	80	247	38	-	289
Elementary Technology	2,970	5,225	1,956	632	6,871
High School Activities	-	1,639	2,489	2,083	1,233
Cross Country	42	471	1,121	650	42
Football Discretionary	-	860	175	-	685
Girls Basketball Discretionary	-	-	175	-	-175

Nashua-Plainfield Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2008

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra-fund Transfers	Balance End of Year
Track maintenance	\$ 8,706	\$ 406	\$ -	\$ 2,000	\$ 11,112
Weight room/Fitness center	-2,318	5,868	3,404	-	146
Petty cash	150	-	-	-	150
General athletics	40	15,620	12,377	-2,000	1,283
Nashua Elementary activities	1,962	3,200	2,901	-	2,261
Athletic store	2,878	11,677	8,764	-3,000	2,791
Elementary student store	2,002	769	914	-	1,857
High School student store	1,528	832	834	-	1,526
Nashua Elementary playground equipment	3,816	-	-	-	3,816
Middle School music	110	1,098	688	-	520
Middle School Student Council	4,997	3,526	2,692	-	5,831
Middle School technology	7,284	6,778	10,476	-631	2,955
Middle School activities	1,338	21,587	20,067	-	2,858
Character Counts	483	-	-	-	483
Total	\$ 80,042	\$ 228,778	\$ 214,371	\$ -	\$ 94,449

Nashua-Plainfield Community School District

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Four Years

	Modified Accrual Basis			
	2008	2007	2006	2005
Revenues:				
Local Sources:				
Local tax	\$ 2,833,495	\$ 2,765,485	\$ 2,582,090	\$ 2,015,222
Tuition	188,543	160,222	132,310	133,773
Other	352,614	344,622	413,969	785,052
Intermediate sources	2,530	3,231	-	-
State sources	3,530,961	3,441,149	3,311,229	3,264,558
Federal sources	185,279	163,886	230,468	190,960
Total	\$ 7,093,422	\$ 6,878,595	\$ 6,670,066	\$ 6,389,565
Expenditures:				
Instruction:				
Regular instruction	\$ 3,086,852	\$ 2,915,064	\$ 2,838,904	\$ 2,670,232
Special instruction	589,413	566,118	642,830	660,328
Other instruction	706,383	698,995	730,935	762,130
Support services:				
Student services	195,898	174,235	202,616	212,293
Instructional staff services	175,930	134,243	160,517	110,228
Administrative services	611,651	616,741	612,256	631,253
Operation and maintenance of plant services	465,465	487,242	474,268	463,538
Transportation services	346,171	436,742	402,133	328,963
Community services	-	-	-	893
Non-instructional programs	5,301	6,261	2,777	2,220
Other expenditures:				
Facilities acquisition	260,544	188,616	477,084	196,480
AEA flow-through	240,053	235,999	223,304	222,440
Total	\$ 6,683,661	\$ 6,460,256	\$ 6,767,624	\$ 6,260,998

See accompanying independent auditor's report.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

To the Board of Education of
Nashua-Plainfield Community School District:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Nashua-Plainfield Community School District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued my report thereon dated March 12, 2009. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Nashua-Plainfield Community School District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of Nashua-Plainfield Community School District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Nashua-Plainfield Community School District's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies and other deficiencies I consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Nashua-Plainfield Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Nashua-Plainfield Community School District's financial statements that is more than inconsequential will not be prevented or detected by Nashua-Plainfield Community School District's internal control. I consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Nashua-Plainfield Community School District's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I believe item I-A-08 is a material weakness.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether Nashua-Plainfield Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Nashua-Plainfield Community School District's responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the District's responses, I did not audit Nashua-Plainfield Community School District's responses and, accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Nashua-Plainfield Community School District and other parties to whom Nashua-Plainfield Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Nashua-Plainfield Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Keith Oltrogge
Certified Public Accountant

March 12, 2009

Nashua-Plainfield Community School District

Schedule of Findings

Year Ended June 30, 2008

Part I – Findings Related to the General Purpose Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- I-A-08 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. I noted that the cash receipts listing, bank deposits, and the posting of the cash receipts to the cash receipts journal were all done by the same person.

Recommendation – With the limited number of personnel involved in accounting for District activity, an ideal system of segregation of accounting duties and functions cannot be achieved to assure adequate internal control over the safeguarding of assets and the reliability of financial records and reporting. This is not unusual in an organization of your size. Under these circumstance, the most effective controls lie in (1) the administration's and the board's knowledge of the District's financial operations and (2) striving to obtain as much segregation of duties as possible so that no one person has complete control of any type of financial transactions. I believe these controls are being effectively utilized in the District and recommend that diligent efforts be made to maintain their effectiveness.

Response – We will work on segregating duties whenever possible.

Conclusion – Response accepted.

Nashua-Plainfield Community School District

Schedule of Findings

Year Ended June 30, 2008

Part II - Other Findings Related to Statutory Reporting:

II-A-08 Certified Budget – Disbursements for the year ended June 30, 2008 did not exceed the certified budget amounts.

II-B-08 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-C-08 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-08 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title & Business Connection	Transaction Description	Amount
Hannemann-Haberman, Owned by Spouses of Kristi Hannemann, Teacher and Joyce Haberman, Teacher	Repairs	\$1,550
River Bend Enterprises, Co-owned by Cindy Shoemaker, Bus Driver	Repairs	\$673
S & T Auto, Owned by spouse of Tami Sudol, Cook	Purchase autos	\$34,460
	Repairs	\$1,696

In accordance with an Attorney General's opinion dated November 9, 1976, the above transaction does not appear to represent a conflict of interest. The purchase of autos from S & T Autos were board approved.

II-E-08 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.

II-F-08 Board Minutes – No transactions requiring Board approval, which had not been approved by the Board, were noted. Not all minutes with all disbursements were published as required by Chapter 279.35 of the Code of Iowa.

Recommendation – The Board Secretary should furnish a copy of the Board proceedings to be published within two weeks of each meeting, and include all disbursements from all funds.

Response – Procedures have been revised to ensure the minutes are published as required.

Conclusion – Response accepted.

II-G-08 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.

II-H-08 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

II-I-08 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely.

II-J-08 Financial Condition –The Student Activity Account had one deficit accounts at June 30, 2008.

Recommendation – The District should continue to investigate alternatives to eliminate this deficit in order to return this account to a sound financial condition.

Response – The District is continuing to investigate alternatives to eliminate the deficits in the student activity account at the end of the fiscal year.

Conclusion – Response accepted.